

Message

From: Brandon Barras [REDACTED]@google.com]
Sent: 6/7/2019 3:41:50 PM
To: Sarah Karam [REDACTED]@google.com]
CC: Mike Marchak [REDACTED]@google.com]; Purnima Kochikar [REDACTED]@google.com]
Subject: Re: Value Exchange: Play/Google <-> Tinder/Match Group

Hi Mike,

Thanks for having Iris pull this together and will be sure to include you in our next conversation with Tinder. Building on Sarah's point, Tinder indicated that they feel their brand recognition in most developed markets is strong enough where Store distribution is not as highly valued at this point. We've asked them to come to this next conversation ready to discuss what value they perceive to be getting out of the platform and the partnership and what was missing to justify the 30%.

-Brandon

On Thu, Jun 6, 2019 at 9:25 PM Sarah Karam <[REDACTED]@google.com> wrote:
+Brandon Barras who's organizing the meeting. Would be great to have you hear the feedback from their team.

On Thu, Jun 6, 2019, 6:04 PM Mike Marchak <[REDACTED]@google.com> wrote:
 We've started doing this for some Hug devs, but we haven't found the right mechanism for sharing. In this case, I think Tinder is so negative, that we'd only want to use internally to potentially justify something closer to LRAP or better.

I'd love to be included in future discussions or meetings w/ Tinder on this to see how we can be useful.

On Thu, Jun 6, 2019 at 5:57 PM Sarah Karam <[REDACTED]@google.com> wrote:
 Thanks for flagging, Mike. This is super useful analysis - have we done this for all the Hug developers? Is the value for them (or other app devs) way higher than Tinder? My cynical instinct is that for large devs with more brand recognition, the ROI of the 30% will be much lower than the cost. But of course if I wear my commerce PM hat, I would say something like "the 30% isn't just for the value of distro but for acquisition of FOPs, retaining subs etc. etc." so not sure how to factor those into the model and put a \$ to them?

The short answer to your question (and +Purnima Kochikar, please chime in if you disagree) is the next steps with Tinder are to meet with their leadership to better unpack their interpretation of the value of the Play / Google relationship (or lack thereof) and, incorporating that, work on a proposed path forward to get them back on GPB (I suspect that will be more nuanced than the policy change).

On Thu, Jun 6, 2019 at 1:54 PM Mike Marchak <[REDACTED]@google.com> wrote:
 -others

Purnima, Sarah -

This seems to justify Tinder's decision. My thought on this would be that we should be aggressively moving to offer something to Tinder to keep them on our billing. Or are we hoping the subs policy + rev share change is the best path forward?

----- Forwarded message -----

From: Mike Marchak <[REDACTED]@google.com>
Date: Thu, Jun 6, 2019 at 1:51 PM
Subject: Re: Value Exchange: Play/Google <-> Tinder/Match Group

EXHIBIT 5809

To: Iris Wang <[REDACTED]@google.com>

Cc: Brandon Barras <[REDACTED]@google.com>, Sarah Karam <[REDACTED]@google.com>, Felix Hu <[REDACTED]@google.com>

Thanks Iris! Let's take an AI to see if we can understand categorical vs navigational search.

@Sarah Karam @Brandon Barras -

Let us know if there are ways you imagine using this. I'm assuming that most of the search traffic value is thru navigational search which I'm valuing close to zero in my mental model. If that is the case, it seems to justify Tinder's actions.

On Thu, Jun 6, 2019 at 1:54 AM Iris Wang <[REDACTED]@google.com> wrote:
Hi Mike,

As you suggested, I switched from effective rev share to using value share (=Play Value/Consumer Spend, benchmarking 30% rev share - when value share is higher than 30%, we are delivering more value than we are receiving). I also added 2 scenarios - 1) excluding search reinstalls, 2) excluding both search reinstalls and search new installs. Key take-aways:

- **Rev share:**

- Original scenario: after switching to play value share (benchmark: 30%), the new share is 48% (effective rev share was 118% = current 48%+ developer share 70%).
- Scenario 2: after taking out search reinstalls, the value share is 22% (under 30%, meaning we are delivering less value than we are receiving in revenue)
- Scenario 3: after taking out both search installs and search new installs, the value share further drops to 10% (meaning we are only delivering 1/3 of what we are receiving)

- **Value breakdown:**

- Original scenario: search reinstalls drives 54% of play rev, followed by search new installs(26%), play owned reinstalls(8%), FOP(8%) and play owned new installs (4%)
- Scenario 2: biggest share is search new installs (57%), followed by play owned reinstalls (17%), FOP (17%), play owned new installs (8%)
- Scenario 3: the play value breaks down to 1) play owned reinstalls (40%), 2) FOP (40%), 3) play owned new installs (19%)

- **Note on storage cost:**

You might have noticed that sometimes numbers don't add up to exactly 100% (99% or 98%). This is because now our table has storage value and the total play value includes storage value too. Generally storage value is pretty small (<2%) and quite consistent.

The changes are also reflected on the same trix in tab 'tinder without search installs' with some simple visualizations. Let me know if you have any questions.

Iris

On Thu, Jun 6, 2019 at 8:40 AM Mike Marchak <[REDACTED]@google.com> wrote:

Iris -

As discussed, lets convert effective rev share to developer +/- vs 30% rev share. Lets also see what this analysis looks like w/o search re-installs & then w/o search altogether. Longer term we should split categorical & navigational search. I think devs will have a hard time seeing the value "Play creates" for navigational search.

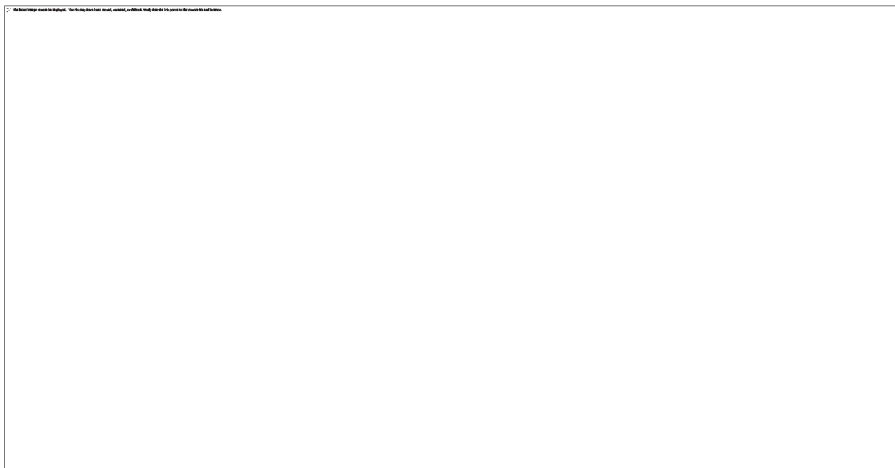
Brandon, Sarah -

This is the first developer I've seen with such a high value from search & particularly from search re-installs. I think Tinder user behavior is quite different in this way to the traditional game dev we've looked at. We'll try to update to be more realistic on that front.

Do you think there is any opportunity to discuss this w/ Tinder in some way? Or do you think this is from internal understanding only?

On Wed, Jun 5, 2019 at 12:09 PM Brandon Barras <[REDACTED]@google.com> wrote:
+Sarah Karam FYI

re: UAC - overall they do very little spend and have placed little value on UAC. According to LCS, they boosted spend in Q1, but then turned it back off. They are now they are slowing ramping back up, but still very little spend overall (see below from LCS).



On Wed, Jun 5, 2019 at 2:42 PM Mike Marchak <[REDACTED]@google.com> wrote:
A couple questions:

- Why does effective rev share of 121% sound bad to me? Our rev share is normally 30%....anything higher seems like a bad direction.
- 79% of total value from search and 53% from search re-installs feels like a difficult concept to explain to a developer. My back of the envelope tells me that we're in a very different place if we remove the search value altogether.
 - Search re-installs seems like a delicate topic we need to dig into more
- @Brandon Barras - Does tinder spend heavily on UAC? Trying to get my head around how they value UA and installs driven from search.

On Tue, Jun 4, 2019 at 9:59 PM Iris Wang <[REDACTED]@google.com> wrote:
Hi Mike and Brandon,

Please see this [trix](#) for the quick analysis on tinder. A few key takeaways:

- Effective rev share for tinder is 121% (period: 2018Q1 to 2019Q1. 100% means play delivers exact same value as play receives; 121% means we are delivering more value than we received)
- Effective rev share for tinder used to be much higher in the beginning of 2017Q1 (183%) and now decreased to 118% in 2018Q4 and stayed flat in 2019Q1
- Play delivers the most value through search reinstalls (53%), followed by search new installs (26%); the rest are play owned resinstalls (8%), FOP value (8%) and play owned new installs (4%).

I included explanations of the model in the 'notes' tab. I also pulled data for the other 4 packages but the visualization mostly focused on tinder. If you want to look at other packages, please just change the filter on pivot tables directly.

Thank you,
Iris

On Wed, Jun 5, 2019 at 9:29 AM Mike Marchak <[REDACTED]@google.com> wrote:
+Felix and Iris

Thanks for following up Brandon.

Felix, Iris-
Can you quickly create a Play value summary for match and tinder in particular.

It would be good to understand actual Play rev share...but we can add that later...my assumption is that it will be very close to 30%

On Mon, Jun 3, 2019, 6:36 PM Brandon Barras <[REDACTED]@google.com> wrote:
Hi Mike,

Hope you had a great weekend! Apologize on the fast follow, but wanted to see if you or someone on your team would be able to assist on the analysis. We're aiming for a June meeting (if schedules permit) and wanted to ensure there was enough time to pull this together and take a look at the data.

Appreciate your help.

Cheers,

Brandon

On Thu, May 30, 2019 at 3:24 PM Brandon Barras <[REDACTED]@google.com> wrote:
Hi Mike,

Hope all is well! As I'm sure you are aware of the current Tinder background (let me know if you're not for any reason), we're in the process of setting up a larger meeting with Match Group leadership in the next few weeks. As apart of this meeting, we'd like to be able to have better insight around the value exchange btw Play/Google & Tinder/Match Group.

I was chatting with Purnima/Sarah and they mentioned you'd be able to help pull together a value exchange analysis you have done for other partners. Is that something you'd be able to assist with?

This doc has the apps/package names for Match Group that we'd hope to include in the analysis.

Let me know if you have any questions or if I can help clarify anything.

Thanks,

Brandon

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Brandon Barras | Google Play Partnerships | [REDACTED] | [REDACTED]

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